



Ward 3 Neighborhood Planning Assembly

Wednesday, January 15, 2025, 6:30 – 8:30pm

Join in person: City Hall, Sharon Bushor Conference Room, 149 Church St.

Join virtually: <https://zoom.us/j/98644635243>

Facilitator: Christopher Haessly

Notetaker: Michelle Borbas

- 6:30 pm** **Introductions & Announcements | 5 min**
Ward 3 NPA Steering Committee
- 6:35 pm** **Remembering Bob Kiernan | 10 min**
Burlington Community Members
- 6:45 pm** **City Budget Presentation | 30 min**
Mark Barlow, City Councilor, North District
- 7:15 pm** **General Obligation Bond | 30 min**
Ashley Parker, Clerk Treasurer's Office
- 7:45 pm** **Water Resources Bond | 30 min**
Megan Moir, Department of Public Works
- 8:15 pm** **City Council Updates | 10 min**
Joe Kane, City Councilor, Ward 3
- 8:25 pm** **Public Forum | 5 min**
Members of the public may address the Ward 3 NPA.
- 8:30 pm** **Adjourn**
Our next meeting is Wednesday, February 5.

Use the QR code to go to any of these links: [Email us](#) • Go to [our website](#) • Watch meeting recordings on [CCTV's website](#) • Connect with us on [Facebook](#) or [Instagram](#) • Request a time slot with [CEDO's request form](#) • Links from this agenda





FY26 General Fund Budget Update to City Council

January 13, 2025



Goals for this Conversation

- Provide an **initial overview** of FY26 general fund budget.
- Let residents know **what to expect** on their municipal property tax bill.
- Offer clarity on **whether or not the City will seek a general city property tax increase** on the Town Meeting Day ballot.



Context

- Last year at this time the City predicted a \$9M budget gap that was **successfully closed** without a general city tax increase.
- The City is **reducing use of one-time funds** (ARPA or use of fund balance) in the general fund budget:
 - FY24 = \$5M
 - FY25 = \$3.5M
 - FY26 = \$1.3M (expected)
- The City is **following best practices** and reviewing budget to actual reports monthly and sharing these with BOF (with more in depth quarterly assessments).
- These contribute to **more sustainable, longer-term strategies that provide predictable information** for taxpayers.



FY26 General Fund Budget Introduction



Assumptions in Building the Budget

- \$3.5M of one-time revenues used in FY25 and must be replaced or those expenses reduced.
- Gross receipt rates level.
- All departments were asked to level-fund their budgets as a first step. This is essentially at **least a 4% reduction for each department** (they must find a way to absorb COLA + step increases).
 - It became apparent that the safe staffing levels required for Police and Fire departments result in nearly 100% fixed costs for these departments.
 - Additionally, there were \$2.4M of one-time funds used as revenues in FY25 in the Police and Fire departments.
 - While all department budgets were reviewed with equal scrutiny, the Police and Fire department budgets were not able to be held level like other departments.
- **No new projects** or initiatives were included.
- We are prioritizing **affordability** for taxpayers.



Drivers of the Budget

- \$3.5M of **one-time revenues** used in FY25 and must be replaced or those expenses reduced.
- Health insurance costs expected to rise about **11%**.
- The Fire and Police budgets comprise **almost 40% of the City's budget** and both contract up for negotiation so increases for those employees are **not yet known but estimated** in the budget.



FY26 Budget Caveats

- All departments have submitted initial draft budgets but there is still a fair amount in flux and **we expect numbers to shift during the process.**
- Without a contract for police or fire unions, we can only make **informed estimates** about the impact on the FY26 budget.
- As a self-insured entity, our health insurance numbers cannot be “locked in” and **will fluctuate** based on actual experience in FY25 (and we are less than 50% of the way through the year).



Expenses



Initial FY26 Known Expense Estimates

- Overall projected expense increase across GF departments over FY25 is **between \$5-6M. This number will change.**
 - 89% of that is from Fire and Police
 - The additional 11% is made up of small amounts in different departments to either:
 - allow to continue public safety initiatives started in FY25 (e.g. increased library at FFL); or
 - for small urgent one-time investments (e.g. case management system in City Attorney's Office).



Initial FY26 Additional Expected Expense Estimates

- Plus additional costs totaling about **\$2M**. **This number is even more variable than the previous one.** These include:
 - Additional FY26 health insurance costs
 - True-up for FY24 health insurance and worker's compensation insurance
 - Enforce 5% vacancy on all general fund departments except fire and police
 - Small buffer for upcoming negotiations
- **\$5.5M + \$2M = \$7.5M additional expenses to cover**



Revenues



Initial FY26 Revenue Estimates

Additional revenues of about **\$3M expected in FY26 over FY25:**

- Last of ARPA funds (less than \$300K)
 - Retiring of WTF TIF (last year of Business Personal Property tax per Charter)
 - Enforce 5% vacancy on all GF departments except police and fire
 - Organic grand List growth
 - Employ last \$.01 public safety tax approved by voters last year
 - Additional \$.01 from parks dedicated (splinter) tax (does not require voter approval)
-
- **\$7.5M - \$3M = approximate \$4.5M gap presently**



Initial FY26 Municipal Tax Estimate

- **Not recommending a general City property tax rate increase.**
- Do plan to utilize remaining approved \$0.01 of previously voter-approved public safety tax.
- Also plan to employ an additional \$0.01 of parks tax (requires City Council but not voter approval).
- Dedicated taxes for GMT, Debt Service, and Retirement will also go up as allowed by Charter.
- In total, we expect **municipal tax rate to go up 6-7%** next year vs 11% this year.



Additional Considerations



Cost Savings and Efficiencies from ModGov

- The Administration will move forward cost-saving and revenue-generating initiatives that will **save or generate \$1-1.5M.**
- We have reordered the phases to **accelerate items**, including department mergers, previously in later phases, to help deal with the budget gap.
- Currently moving forward with process with affected unions and departments before **providing more information at Jan 27 City Council meeting.**



Reducing Non-Essential Services

- As part of the FY26 budget process, the 11 departments with public services have completed a “**service inventory**” which details every service they provide to the public, to whom, how frequently, under what authority, etc.
- Services evaluated in collaboration with departments and unions and provide recommendations to Mayor about **which non-essential services could be cut**. Evaluation factors include who needs the service (equity lens), affordability of providing the service, and who else is providing the service.
- Departments will report back with any proposed service reductions.



FY26 Budget Summary

- No **general fund tax increase** on TMD ballot.
- Projected **overall municipal tax increase at 6-7%** vs an 11% increase last year – mostly retirement and debt service.
- Many **conversations and decisions** in the coming months.



Next Steps

- Provide “**service inventory**” evaluation and recommendations to Mayor.
- Continue review and refinement of **departmental budgets**.
- Continue honing **benefit budgets** and allocation (Retirement, Health, etc.).
- Discuss and implement **ModGov efficiencies**.
- Begin **Tax Fairness Working Group**.
- Further updates to **Board of Finance**.



Questions and Discussion



BTV Thrives

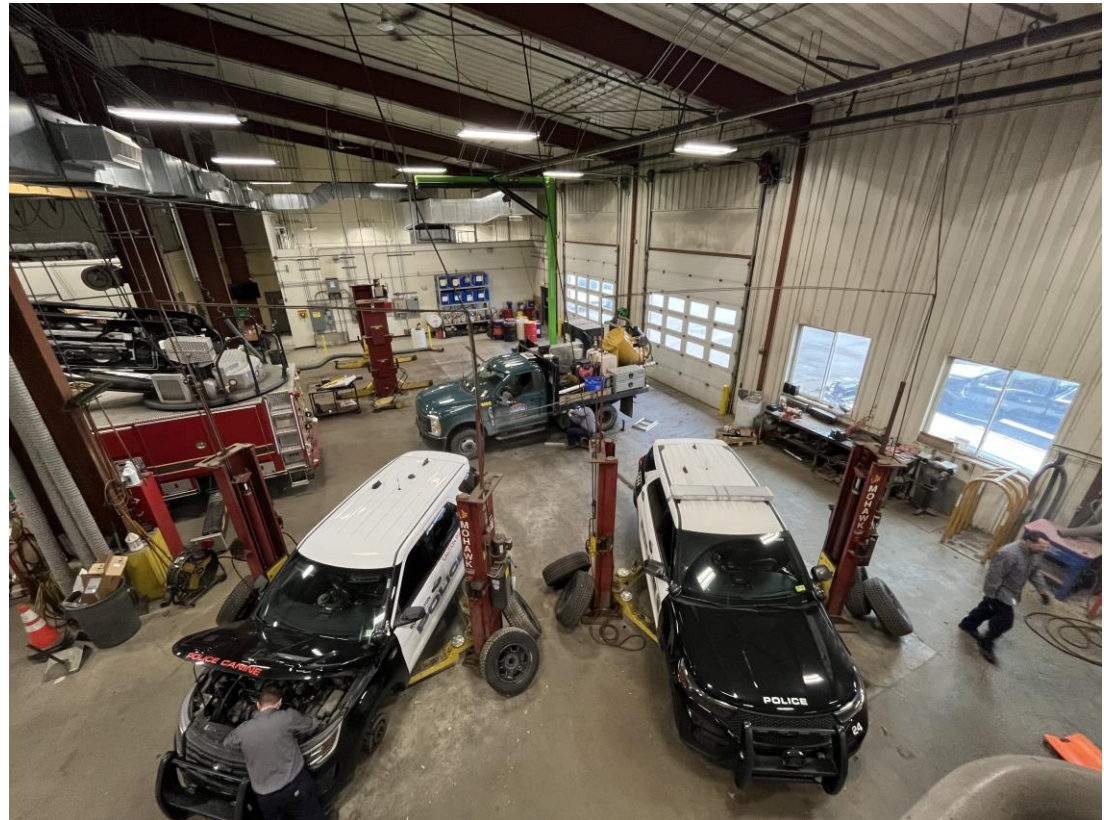
Prioritizing Affordable Public Infrastructure

January 2025



What to Expect Tonight

- Introduction to General Fund Capital Budget
- What is the Need?
- What is the tax impact?
- Next Steps





General Fund Capital Budget 101

What is a Capital Project?

- City Code of Ordinances: *“A Capital Project is one funded wholly or in part by the City of Burlington and that involves construction, renovation or remodeling of buildings, structures, or parking facilities; street improvements; streetscape improvements; or park or recreational area construction or remodeling.”*
- **Does not** include routine repair or maintenance expenditures.
- GF Capital INCLUDES: DPW, Parks, Facilities, Fire, Police, & Public Art





Prioritizing Affordable Public Infrastructure

What is the Need?



Phase Three: \$20M Bond on TMD 2025

Why do we need another bond now?

- 1. Without a bond the City’s Charter only authorizes **\$2M/year for capital expenses**
- 2. To help ensure good governance the City needs approximately **\$8-10M/year** for critical infrastructure.
- 3. Implementation costs for infrastructure needs do not get cheaper over time.
 - **Non-Construction inflation is 10% higher since 2022**
 - **Construction inflation is 25% higher since 2022**

\$20M GO Bond Spend-out Projection				
Revenue Source	FY26	FY27	FY28	
Annual CIP	\$2M	\$2M	\$2M	
\$20M GO Bond	\$7M	\$6.5M	\$6.5M	
Total Revenue	\$9M	\$8.5M	\$8.5M	



Focusing on Critical Infrastructure

General Fund Fleet Capital Assets:

- City owns 242 Fleet Assets: 30% need to be replaced; 45% of those are critical public safety vehicles (fire, police, snow removal)
- City deferred spending on Fleet in FY24 & 25



Better Sidewalks:

- City has 133 miles of sidewalk – 3 miles should be replaced annually (\$1M/mile)
- 17.2 miles are in serious/poor condition

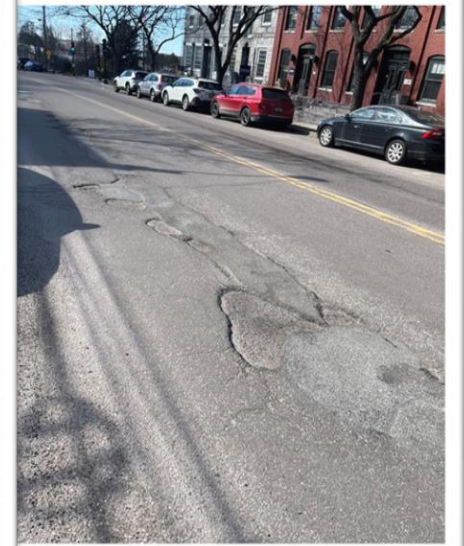




Focusing on Critical Infrastructure

Better Streets:

- City has 88 miles of street it owns & maintains – 4 miles should be paved annually (\$1.2M/mile)
- 10.8 miles do not meet acceptable condition



Transportation Safety:

- 3 Bridges are in Capital Plan for repairs/replacement (including Winooski Bridge)
- \$300K/year = 14 new transportation calming projects (hit 75% of community requests in 3 years)

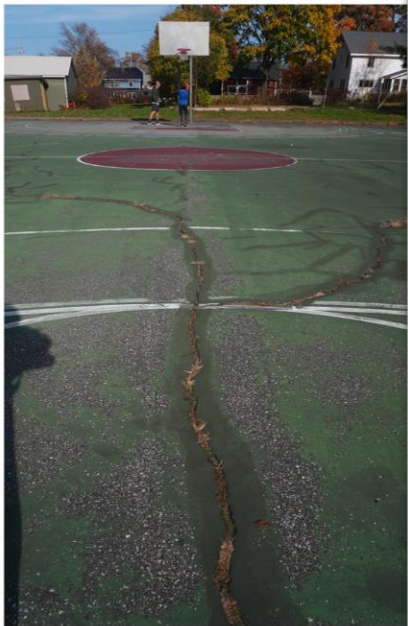




Focusing on Critical Infrastructure

City Buildings:

- City owns 19 buildings; at least \$700K in deferred needs/building
- \$2M could support at least 3 buildings



Parks:

- There are 37 City Parks; at least \$700K in deferred needs/park
- \$2M could support needs in at least 3 Parks



Focusing on Critical Infrastructure

Capital \$20M DRAFT Allocations for 1st Priority Need (FY26-28)*		
Asset	% of \$20M	Notes
Fleet	min 15%	Gets City back to regular replacement schedule
Sidewalks	25-35%	With Street Capital supplement, would hit 3 mi/year
Streets	25-35%	With Street Capital supplement, would hit 4 mi/year
Facilities	13-30%	13% could support deferred maintenance in the equivalent of 3 buildings
Parks	6-10%	10% could support deferred maintenance in the equivalent of 3 parks
Traffic Safety	1-3%	With Street Capital supplement, 3% could hit 75% of community requests
Local Matches	15-20%	20% would fully fund Winooski Bridge Local Match

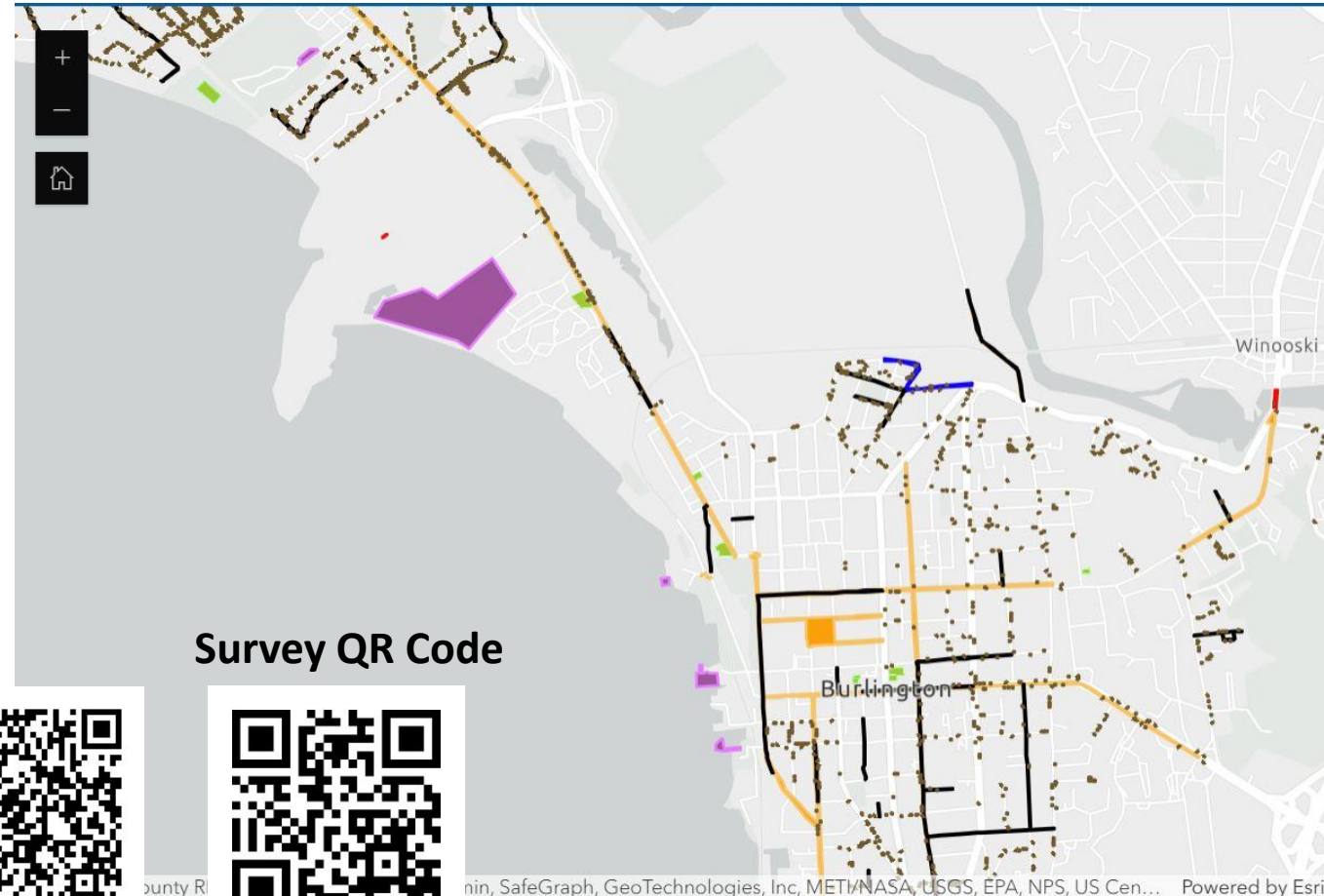
***Note:** No capital asset is guaranteed funding as the General Fund Capital Budget needs to be flexible and responsive to emergent needs, while also ensuring equitable implementation of infrastructure.



Prioritizing Critical Infrastructure

NEW Capital Planning Map: <https://bit.ly/BTVThrivesCapitalMap>

- Map depicts 6 years of GF Capital need across the City – no funding guarantees
- Long-term Planning tool
- Community Survey:
<https://bit.ly/BTVThrivesCapitalSurvey>
- Other City Prioritization Criteria:
Accessibility, Affordability, Efficiency, Equity, Sustainability, and Safety
- Map can be found on [City's Town Meeting Day Website](#)



Map QR Code



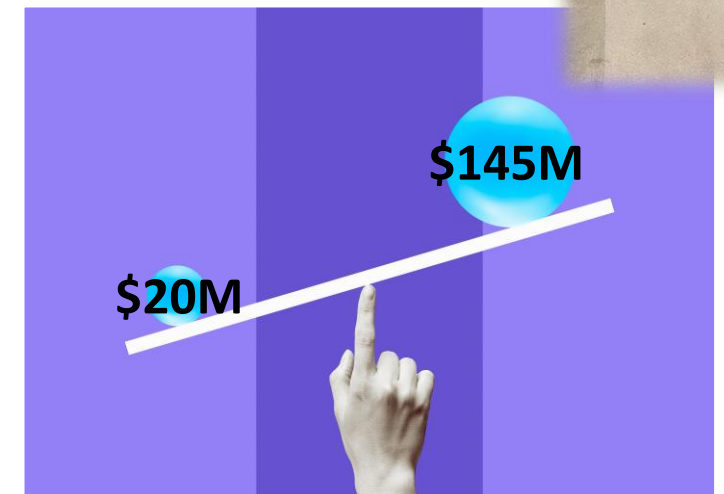
Prioritizing Affordable Public Infrastructure

What is the Tax Impact?



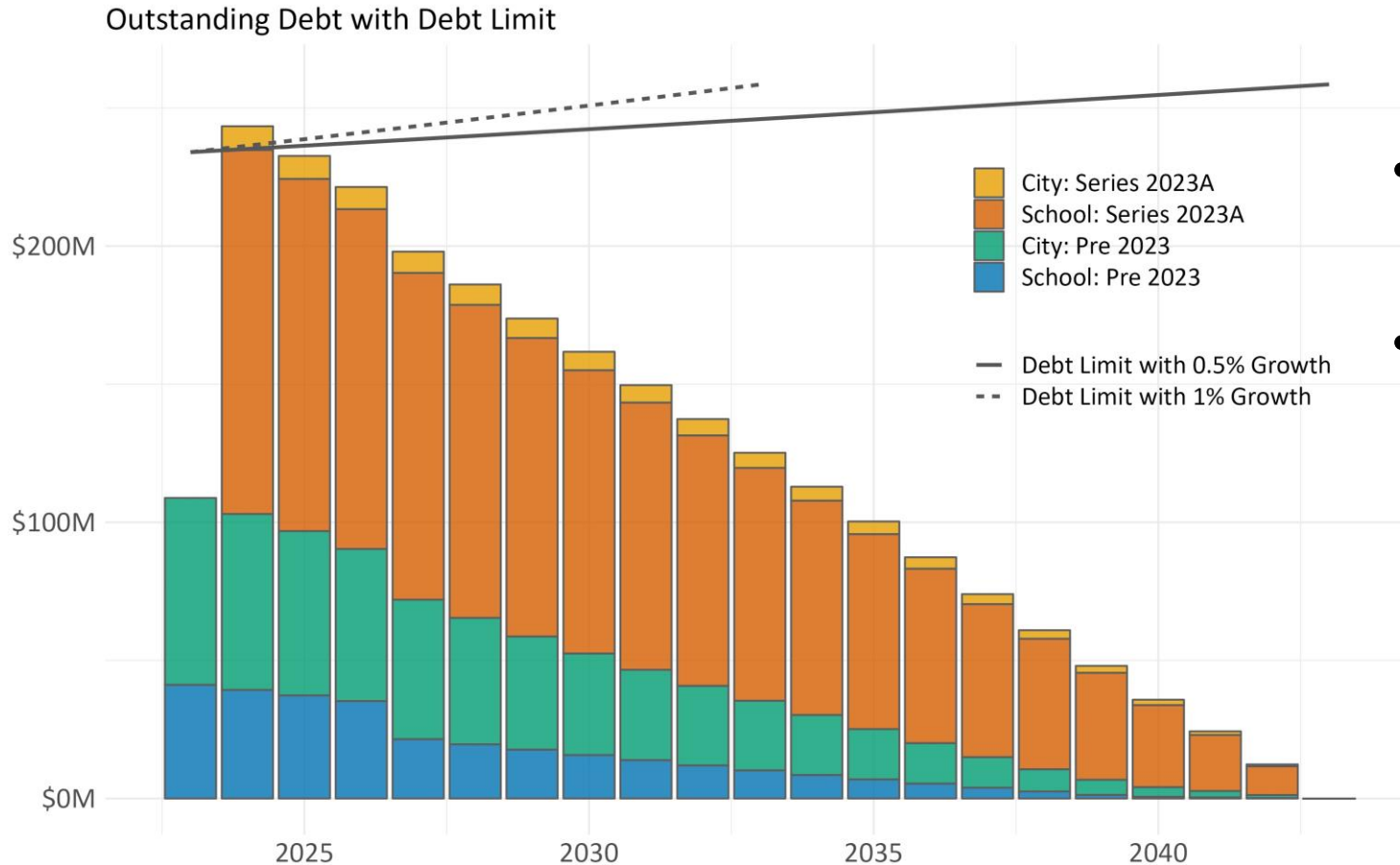
Investing Affordably and Transparently

- **Affordability is critical to the Administration**, and we are working to balance responsible investment in City assets with ensuring Burlingtonians can afford their property tax bills.
- The FY26 Budget Process is underway - with goals for efficiency and better planning of maintenance expenditures.
- Capital Plan forecasts opportunity to leverage bond revenues with additional grants.
- **Waiting won't help – prices just go up & deferred maintenance only gets worse and more expensive over time.**





Phase Three: Fitting in with Debt Policy



- City recalculates existing debt annually per our policy
- Due to growth of grand list and paying down principal & interest faster than originally projected, there is now \$20M of debt capacity that has freed up



Effect on Tax Bills

- The \$20M bond would be repaid through a small increase in municipal property taxes starting in FY26.
- We anticipate the increase to be approximately:

Assessed Home Value	Monthly Expected Tax Increase
\$300,000	\$6.92
\$500,000	\$11.58
\$700,000	\$16.18
\$900,000	\$20.83

\$20M GO Bond Spend-out Projection

Revenue Source	FY26	FY27	FY28
Annual CIP	\$2M	\$2M	\$2M
\$20M GO Bond	\$7M	\$6.5M	\$6.5M
Total Revenue	\$9M	\$8.5M	\$8.5M

- The effect from this bond will not be more than the amount listed on this slide; it could be less over a payback period of 20 years.



Next Steps

1. Continue community conversations including:
 - **TODAY, 1/6:** Town Hall in City Hall
 - visiting NPAs January-February 2025
2. BOF/CC Vote – January
3. Vote by Community – Town Meeting Day, March 4, 2025





Questions?



Thank you!

For more information, please contact
Ashley Parker, Capital Program Director:
aparker@burlingtonvt.gov.

Burlington Water Resources Capital Planning

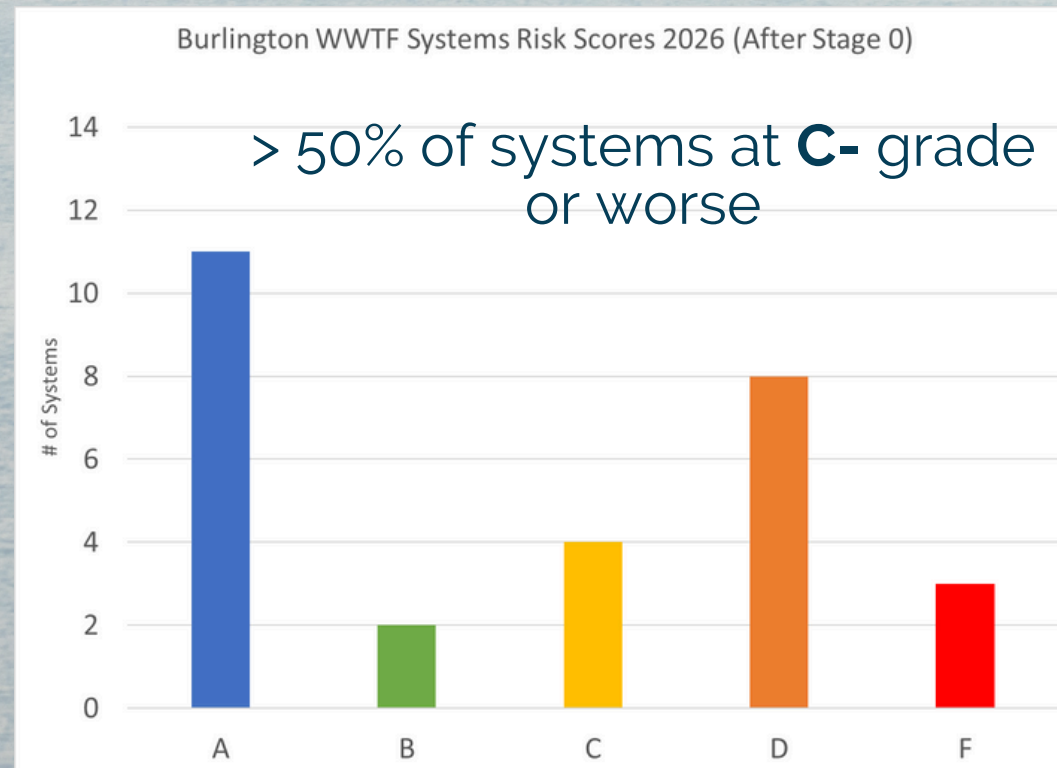
Proposed March 2025 Bond Requests

January 2025



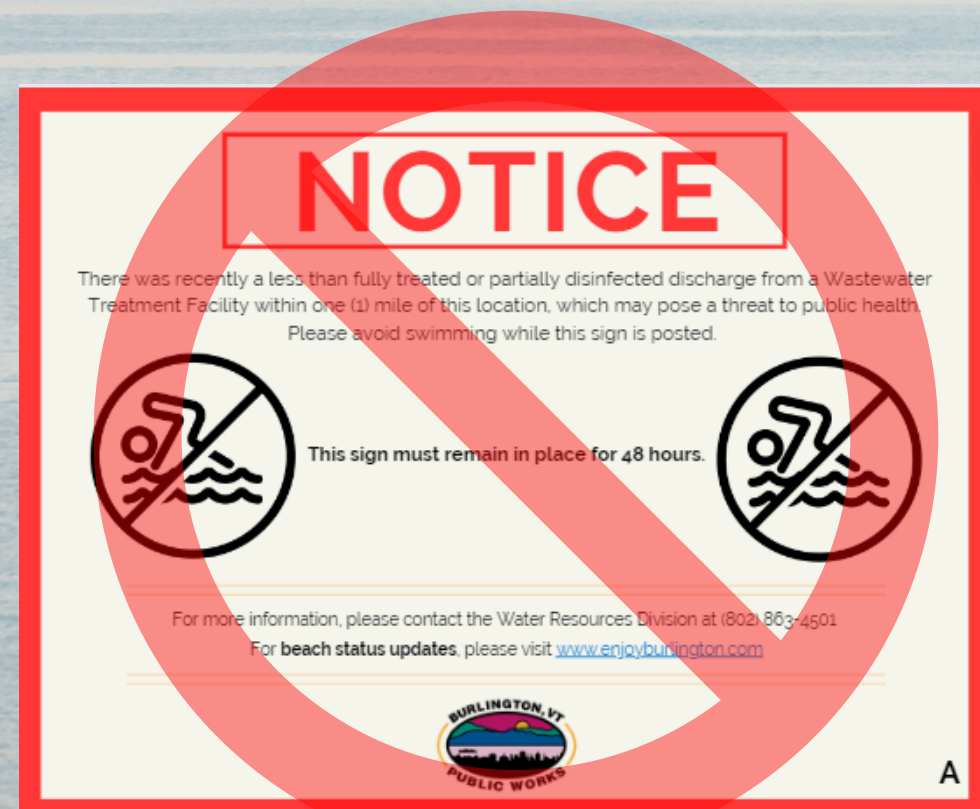
WHY IS MORE INVESTMENT NEEDED?

- To provide reliable and sustainable drinking water, wastewater and stormwater services to the **current** and **future** Burlington
 - Replace aged drinking water, wastewater and stormwater infrastructure that is at significant risk of failure
 - Ensure that there is sufficient capacity for housing and other growth
 - Improve resiliency against climate change
 - Address safety/code upgrades to protect and retain workers



WHY IS MORE INVESTMENT NEEDED?

- To protect the Lake by meeting/exceeding our water quality improvement requirements
 - Infrastructure resiliency and redundancy = meeting water quality standards = avoid **preventable** beach closures
 - Reduce phosphorus discharges from Burlington and help VT meet the Lake Champlain TMDL
 - Continue to reduce combined sewer overflows



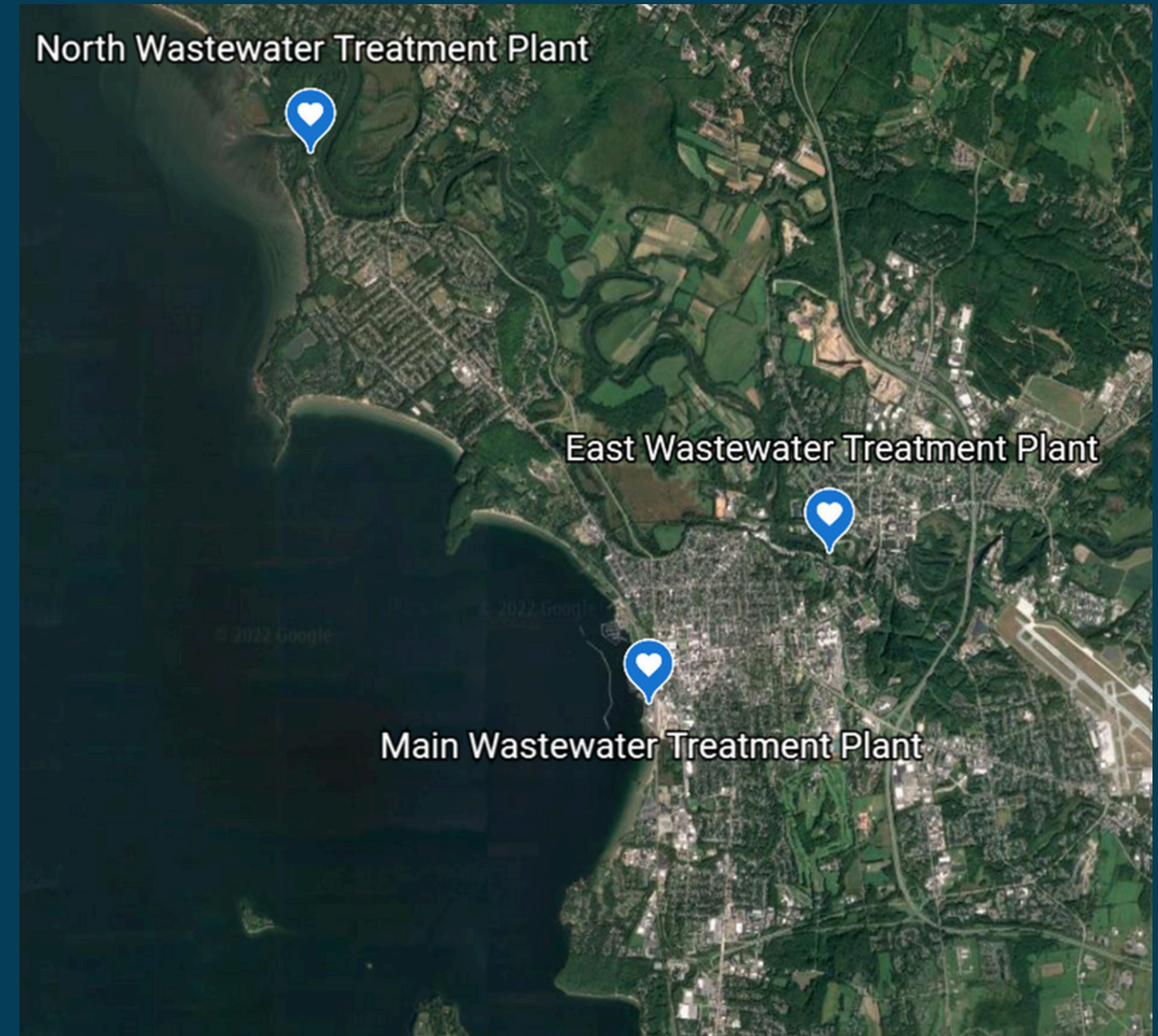


WWTP Improvements Project

Burlington's Commitment to the Lake and
Sustainable Housing Growth

BURLINGTON'S 3 WASTEWATER PLANTS

- Main W/WTP built in 1953
- North W/WTP built in 1961
- East W/WTP built in 1965
- Due both to increased regulations and the harsh impacts of the wastewater environment on equipment, all three plants were then subsequently upgraded in:
 - 1973 - improved pollutant treatment
 - 1994 - improved nutrient removal and added wet weather treatment to Main W/WTP

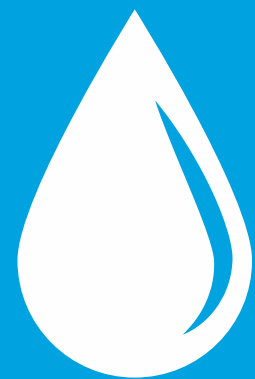


Improve and Modernize WWTFs for Burlington's Future



Resiliency

Ensure existing systems continue to function; Increase resiliency of critical wastewater equipment through improved design and redundancy



Environmental

Improve ability to meet water quality standards for Lake Champlain



Capacity

Increase capacity of Main WWTF to accommodate growth within the community



Work safety

Improve working conditions for City staff



Odors

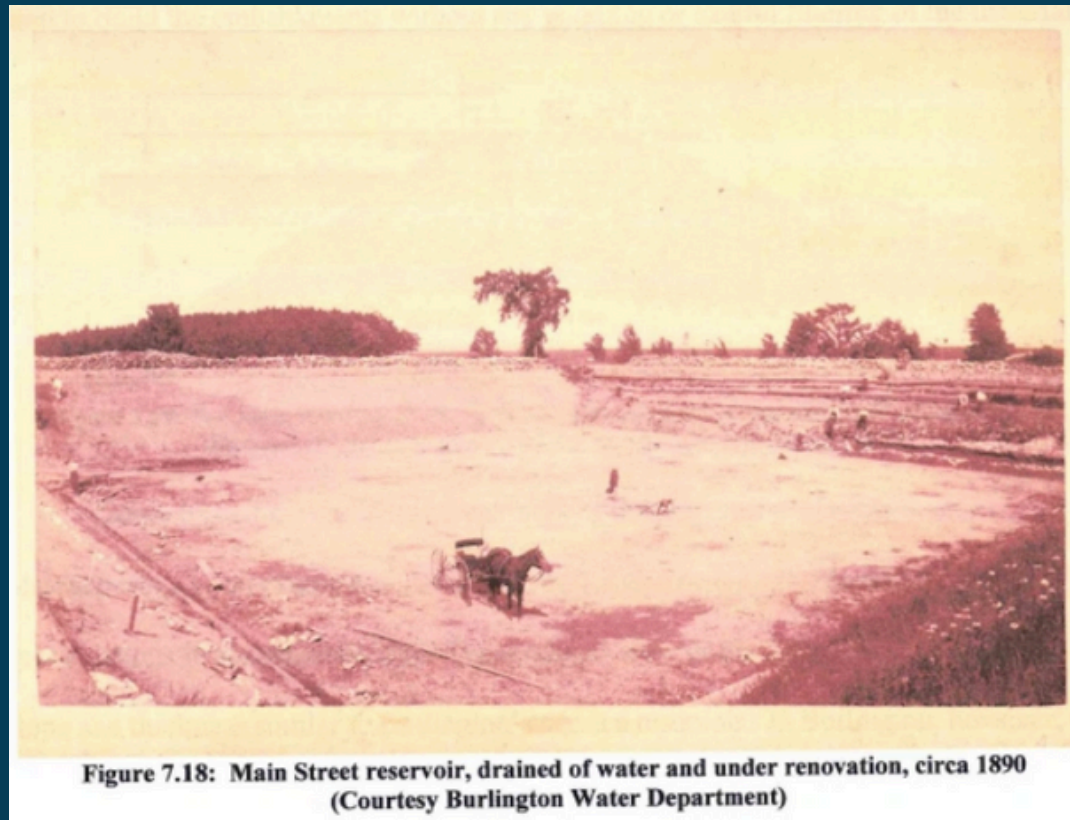
Reduce off-site odors from Main WWTF

Reservoir Improvements Project



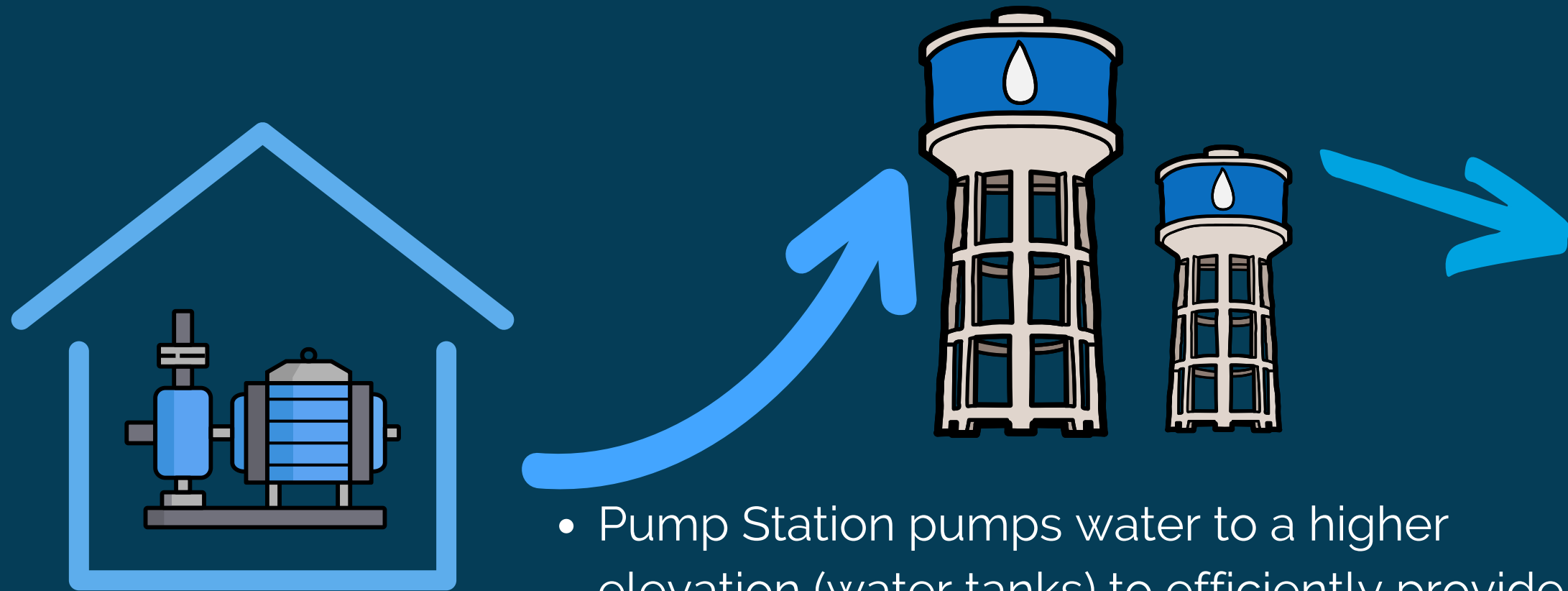
*Water Supply Resiliency
for Burlington*

BURLINGTON'S DRINKING WATER RESERVOIR AND HIGH SERVICE PUMP STATION

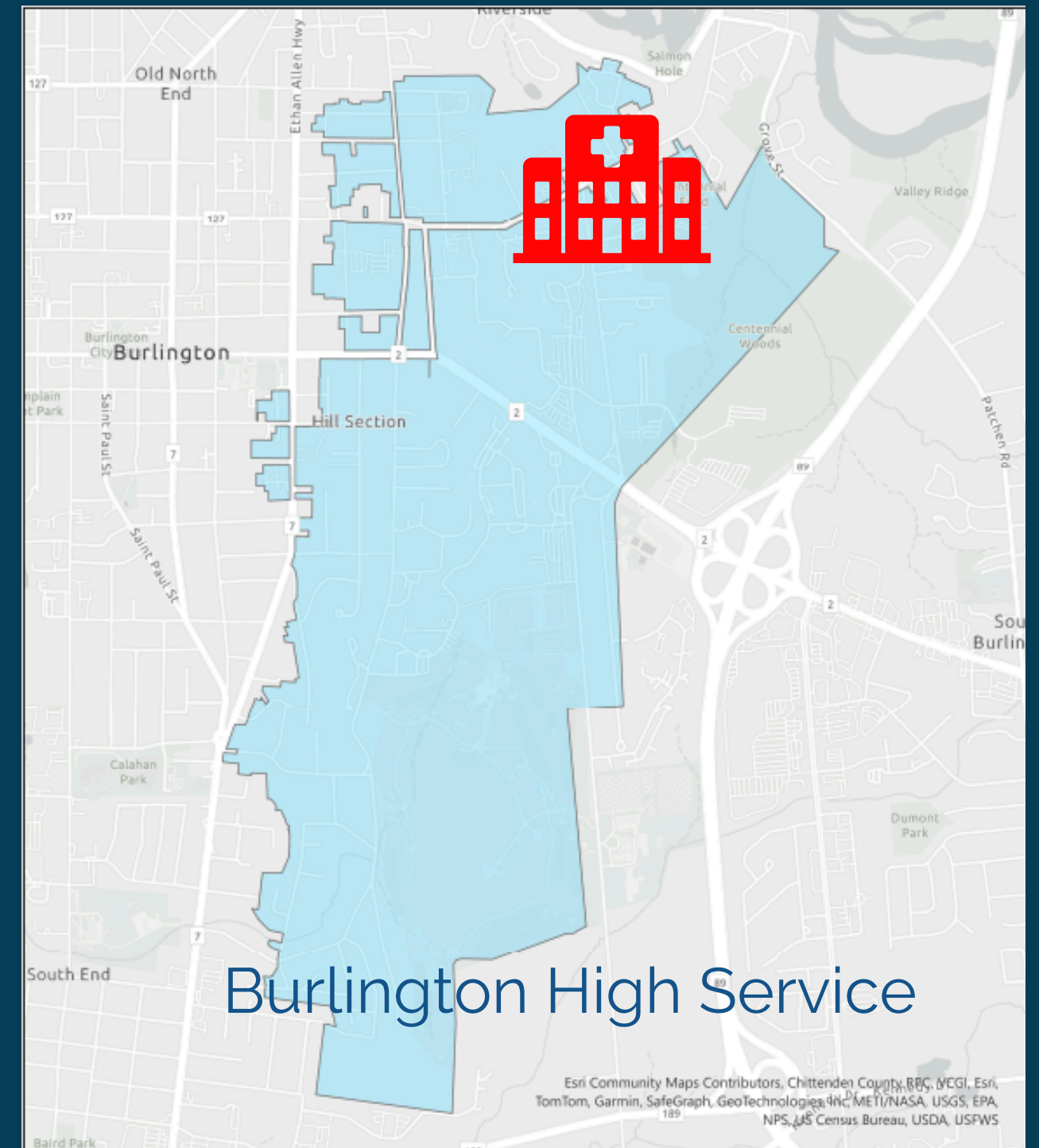


- 7 Million Gallon Treated Drinking Water Storage
 - Originally Built in 1867
 - Expanded in 1888 and lined with brick/stone
 - Covered in 1981
- 1867 Gate House Building
 - In service as a Pump Station starting in early 1880s

THE RESERVOIR AND PUMP STATION ARE CRITICAL DRINKING WATER SUPPLY INFRASTRUCTURE

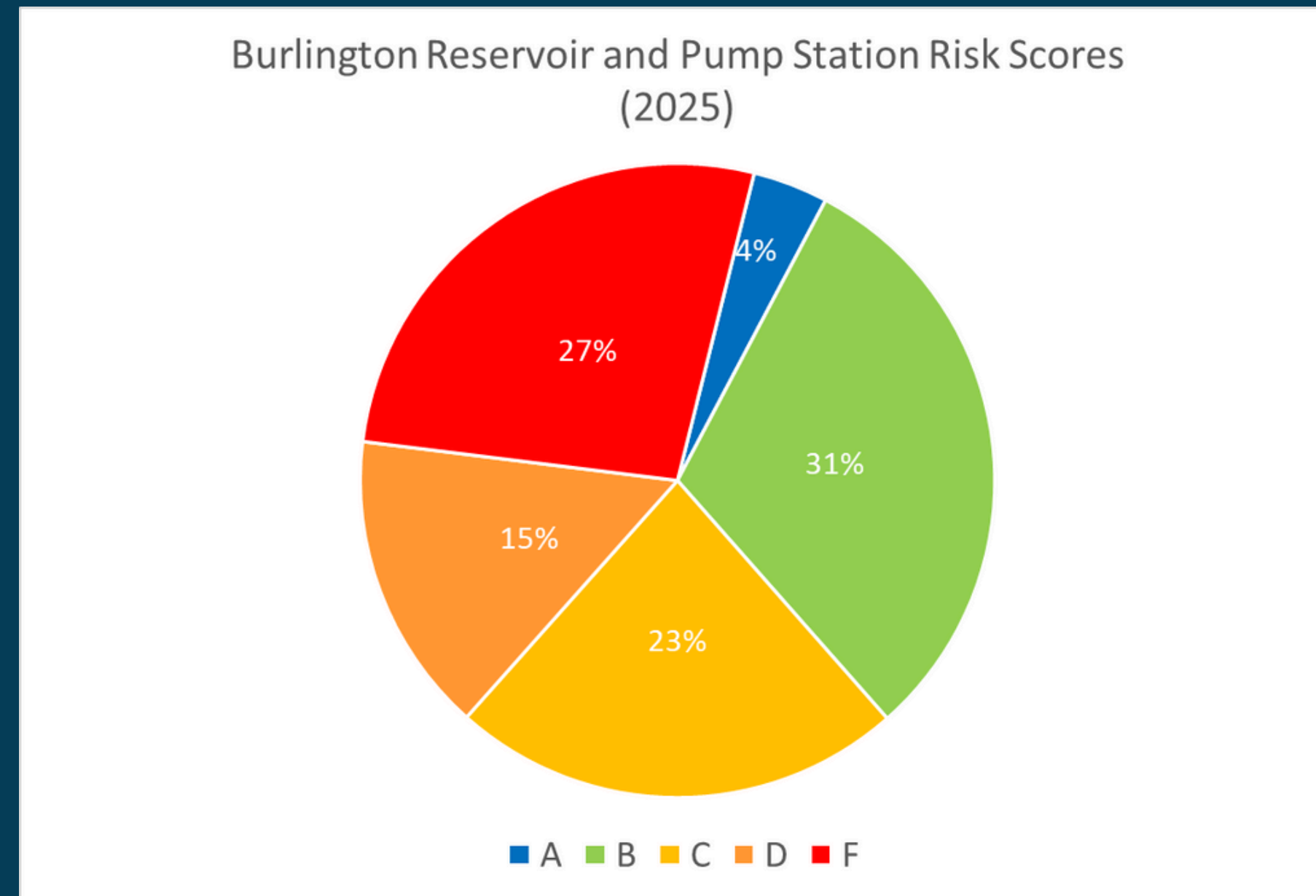


- Pump Station pumps water to a higher elevation (water tanks) to efficiently provide sufficient pressure to properties generally east of Willard Street
- **These pumps are REQUIRED for supplying water to the UVVMC** and rest of high service area
- The reservoir itself is critical to providing **demand fluctuation and emergency storage** for the rest of the City



RISK REPORT CARD

PUMP STATION AND RESERVOIR



Conclusion

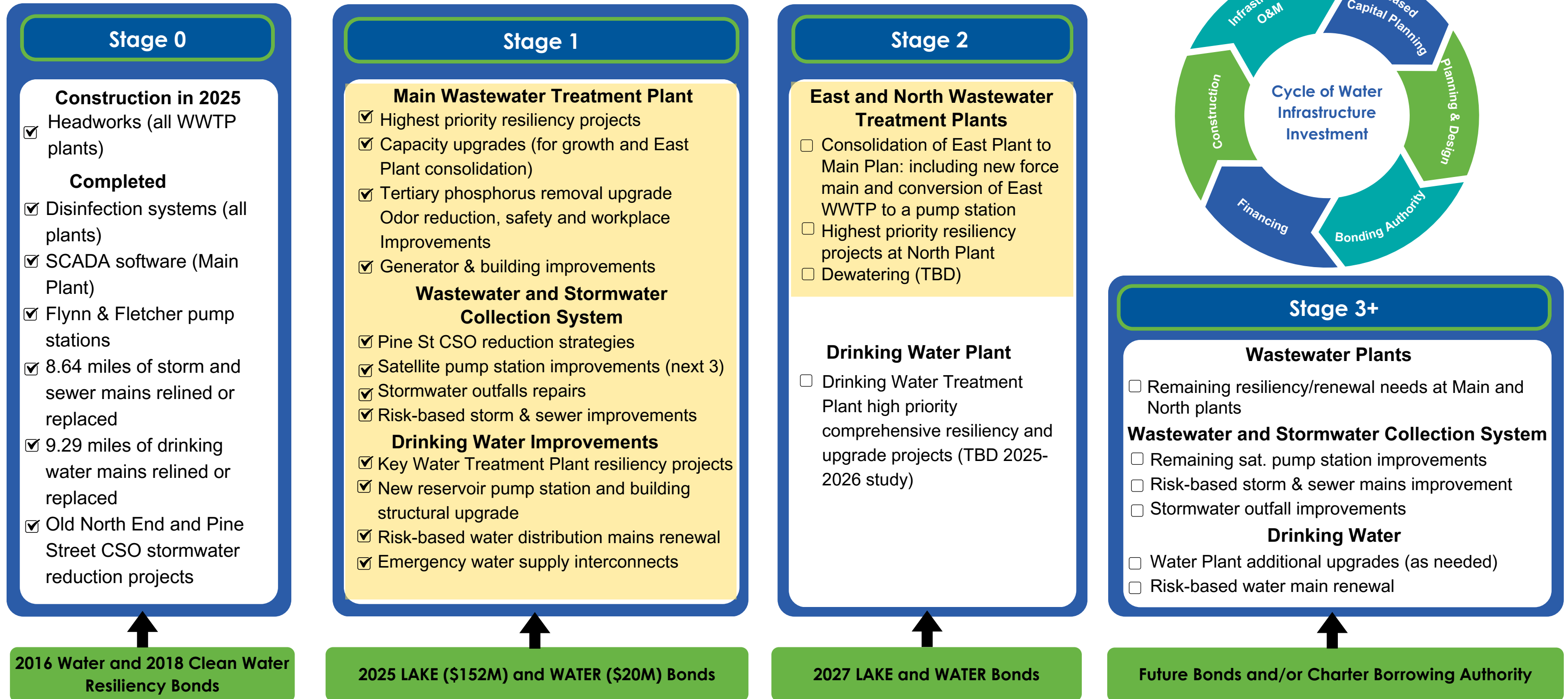
- 65% of systems are at a C grade or worse, with 42% at D (replacement needed in 1-3 years) or F (needs immediate replacement)
- This condition presents a great deal of risk for Burlington's ability to supply water to the high service

Water Resources

Sustainable Infrastructure Plan: The 2025 LAKE & WATER bonds

Original November Bond Proposal

How does this phase of investment fit in with the overall plan?



2025
Lake & Water Bonds

TOWN MEETING DAY 2025: HOW MUCH \$?

System	Final TMD 2025 Bond Request	Final <u>Cost/Borrowing</u> Determination
Drinking Water	\$20 M	Determination of other funding for City transportation projects; Congressionally Delegated Spending Grant Award
Wastewater	\$138 M	Final due diligence on WWTP costs; Determination of other funding for City Transportation Projects; Pollution Control Grants; NRBC grant; Pine Street CSO sewer separation final cost
Stormwater	\$14 M	Pine Street CSO reduction final cost; Determination of other funding for City transportation projects; Pollution Control Grants

HOW DID THE \$ DECREASE?

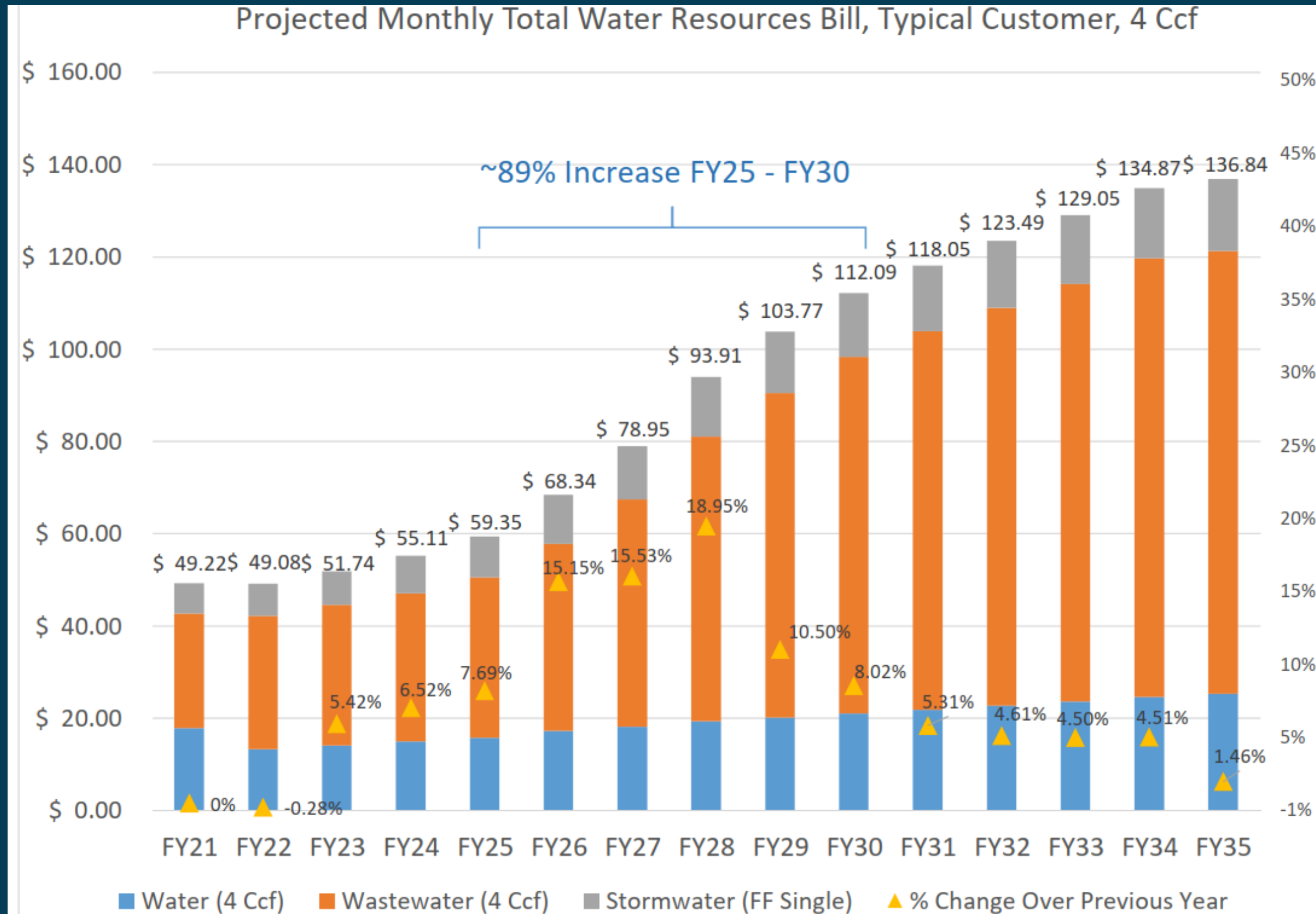
Memo details the risk and rationale of postponing certain items.
Below also forecasts additional scope items and costs where available.

Projects Not Included in 2025 Bond ¹	Current Estimated Cost	Rationale for addressing later	Include in FY26-FY35 Rate Impact Projection
East Plant Consolidation	\$ 25,000,000	Construction scheduled for 2028; success of grants for Stage 1 may reduce ultimate bond need.	Yes
North Plant WWTP High Priority Upgrades	\$ 13,662,000	Construction scheduled for 2030; success of grants for Stage 1 may reduce ultimate bond need	Yes
North Plant Sewer Siphon	\$ 14,000,000	Eligible for FEMA funding	No
Dewatering Upgrade	\$ 8,700,000	Regulatory landscape for biosolids management unclear; wait for clearer picture to select best technology (costs could change depending on timing and regulations)	No
Remainder of Main and North Plant Renewal (Stage 3) ²	\$ 60,000,000	Items that can wait until ~2030; bidding environment for Stage 1 and grants may reduce this #	No
Additional Satellite Pump Station Renewal ²	\$ 7,100,000	Next round of Pump Station Renewal projects; condition of remaining 5 stations needing age related upgrades will be monitored and phased as necessary.	No
Comprehensive Water Plant Upgrade	TBD	Pending completion of preliminary engineering study for entire WTP (2025-2026)	No
Additional Storm and Sewer Renewal	TBD	Wastewater will be able to fund some renewal with annual capital funding generated due to debt coverage requirements. Additional work also pending a collection system master plan which may identify needed capacity upsize requirements	No
Additional Water Main Renewal	TBD	Additional work pending a distribution system master plan which may identify needed capacity upsize requirements.	No

Note 1: This is a list of known project needs, some of which were included in previous bond proposals. Additional projects maybe needed due to quicker than anticipated failure rates or regulatory changes.

Note 2: These cost estimates are in 2025 dollars. Future costs will likely be higher due to inflation depending on the timing of the project.

WATER, WASTEWATER, STORMWATER RATE IMPACTS



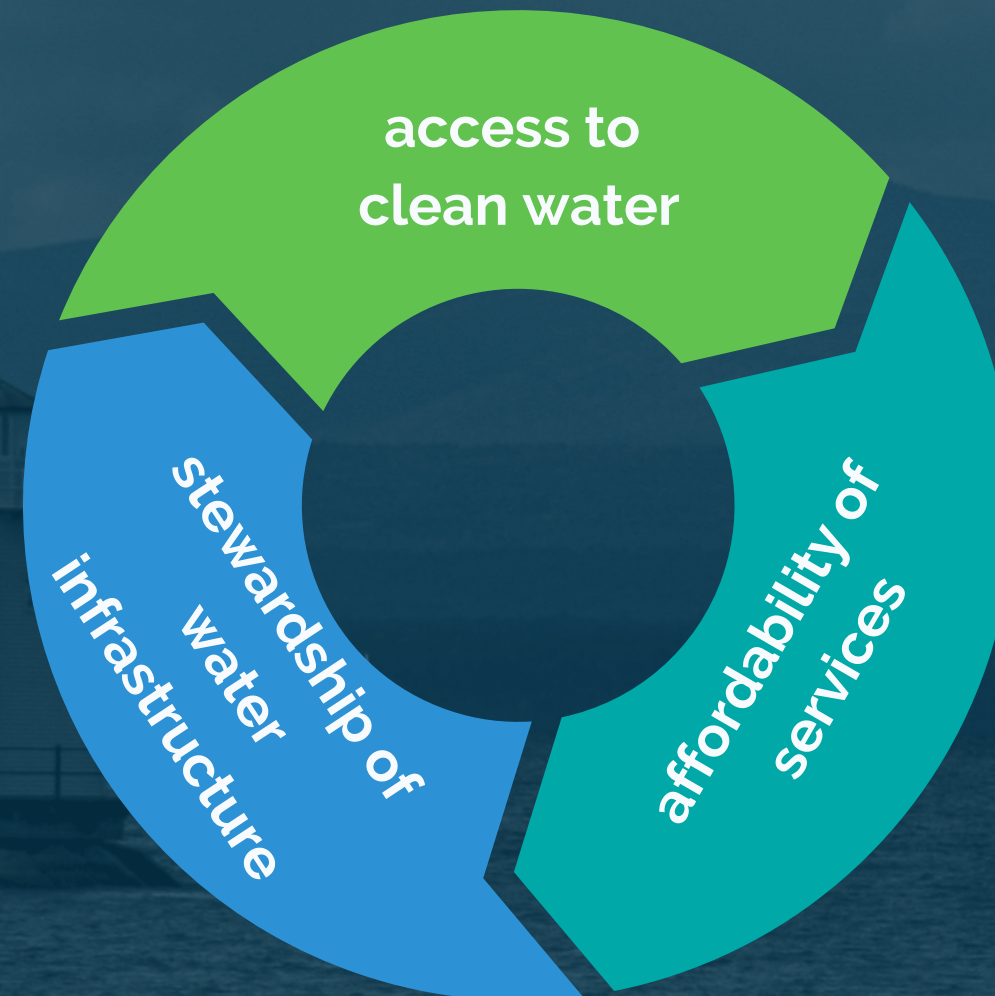
- **Conservative** estimate (based on best available information) of bill impacts:
 - Does not include possible grant funding
 - Does not include revenue from potential growth
- Final borrowing portfolio and availability of SRF loan will play a big role
- Includes Stage 2 Wastewater Treatment Plant costs
 - East Plant Consolidation
 - North Plant High Priority Resiliency Upgrades
- Debt service for included projects ramps up through FY2034, with the steepest rate increases in FY26 - FY 30.

CURRENT RATEPAYER AFFORDABILITY MEASURES

"...an affordable water bill is one that the household can regularly and successfully pay on time without compromising its ability to meet other essential needs." (NRDC Water Affordability Advocacy Toolkit)



- **Fixed Fee Waiver**
 - Low-income
 - 65+
 - Non-Profit Housing Organization
- **Rebates**
 - Sewer lateral inspections
 - WaterSense fixtures



RATE STRUCTURE ADJUSTMENTS

- **Lifeline** rate tier on water side
- **User class**-based rates

Water Resources will work with City Council to develop additional affordability and assistance programs for implementation prior to significant debt issuance.

EFFORTS TO REDUCE BILL IMPACT

- **Ensuring** sufficiency of SRF (low interest, 2%) financing
- **Increasing** availability of SRF financing
- **Pursuit** of grants
 - Congressionally Delegated Spending (Reservoir Project on list for \$1 M)
 - Pursuit of Pollution Control Grant funding
 - Working with Legislature to increase Pollution Control Grant availability
 - Northern Borders Regional Commission (\$1 - \$3M)
- **Explore** Water Investment Finance and Infrastructure Act (WIFIA)
 - Lots of paperwork, but generally lower interest rates than bonds
- **Improve** Vermont State administration and legislative awareness about infrastructure funding gaps
 - Meeting with State Legislative delegation
 - Meetings with Vermont ANR Secretary and DEC Water Investment Division
 - Met with State Treasurer's office

SUMMARY

- Request for ballot items in March 2025 for
 - Up to \$20M **WATER** bond
 - Up to \$152M **LAKE** bond
- Capital investment is necessary for a resilient Burlington with capacity for growth and a healthy Lake Champlain
- Typical residential bill projected to increase approximately 89% over next 5 years, bringing it into the realm of some other New England communities' projected annual bills

Water reliability

Advancing water main replacement

Treatment plant improvements

Emergency supply contingency

Reservoir upgrades

Leverage modern technology

Advance & repair key infrastructure

Keep our federal & state commitments

Enhance water quality & worker safety



THANK YOU. QUESTIONS?

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Chapin Spencer
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<https://burlingtonvt.gov/2025waterbonds>

